



March 22, 2004

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Ms. Jennifer J. Johnson
Secretary
Board of Governors of the
Federal Reserve System
20th Street and Constitution Ave., N.W
Washington, D.C. 20551

Re: Docket No. R-1173
Interagency Proposal to Consider Alternative Forms of Privacy Notices

Dear Ms Johnson:

Please accept this letter as the comments made on behalf of AmSouth Bank on the proposal referenced above. AmSouth appreciates the opportunity to comment on the advanced notice of proposed rulemaking ("ANPR") to consider alternative forms of privacy notices issued by the agencies.

AmSouth's position on this ANPR is as follows:

- We recommend that the agencies created simple, short-form privacy notices.
- We support a uniform model notice for all institutions rather than allowing institutions to tailor the notice form.
- We urge the agencies to produce a uniform model notice that will act as a safe harbor to satisfy a financial institution's compliance requirements under GLB.
- We strongly oppose the proposed rule unless the notices required are uniform and preempt state privacy laws.
- We request that the agencies attempt to consolidate the multiple privacy notices provided to consumers (*i.e.*, GLB, FCRA, HIPAA, *etc.*) whenever possible.

Simple, Short-Form Notice

We believe that the regulatory agencies should develop a model privacy notice that would be easy to understand and is written in plain English. This notice should be conspicuous and readily understandable. A simplified notice would benefit the consumer and better meet their needs. A shorter, less complicated notice would also be less burdensome and less costly for financial institutions.

We support developing a short-form notice using an approach similar to the one in Appendix B to the ANPR. We do not favor the short form notice set out in Appendix D to the ANPR because we believe it will encourage consumers to exercise their right to opt out of information sharing without having a complete understanding of the election they are making.

Uniform Model Notice

We urge the agencies to develop a uniform model privacy and opt-out notice that will satisfy the requirements of GLB. The use of the model disclosure would be mandatory for all institutions.

A uniform model notice would assist the consumer by creating uniformity in the notices they receive. This would help avoid the confusion of receiving multiple notices in various formats. With a uniform model disclosure, the customer would be assured that the same elements and information would be presented in each notice.

Safe Harbor

In addition, the use of the uniform model notice should create a safe harbor for compliance with the GLBA. Creating a safe harbor would reduce the burdens on financial institutions. Safe harbor language is important to avoid senseless litigation and prevent individuals from taking advantage of inadvertent errors that might occur as financial institutions attempt to comply with these regulations.

Preemption of State Privacy Laws

We strongly oppose a simplified privacy notice unless it preempts state laws. GLB and FCRA provide national standards for the protection of a consumer's financial information and benefit consumers. Federal preemption of inconsistent state privacy laws is of critical importance to consumers and the financial services industry.

Both the consumer and the industry would benefit from preemption. Preemption of state laws will assist the consumer by alleviating the number of different forms and notices they receive. Uniformity in notices would allow the customer to better understand the information provided to them. Without preemption, financial institutions would be faced with a serious burden and economic hardship as they attempt to comply with privacy laws in fifty states. Costs for preparing different forms would be astronomical. In addition, new systems and procedures would be required for compliance and personnel would be needed for this task.

Consolidation

Financial institutions are currently required to produce several privacy notices under regulations such as GLB, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and FCRA. We recommend that the regulators consolidate these notices where possible, thereby combining these obligations. We believe that there should be uniformity among all privacy notices.

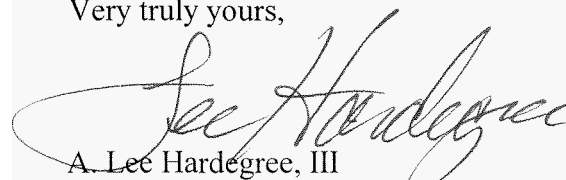
We believe that having several privacy notices required under different regulations, or under different state laws, confuses the consumer and creates an undue burden for the financial services industry. Consumers receive numerous notices from multiple institutions. The result is a numbing effect which reduces the value of the overall message. More uniformity would benefit the consumer who is burdened and confused by multiple forms.

Institutions are required to send separate notices in different formats. Institutions are also required to send these notices at different time periods. As a result, financial institutions have to contend with enormous costs to prepare these notices. These costs include data systems and software to gather and store information, personnel to manage the process, printing the materials, mailing, and legal costs associated with research and compliance. Any effort to simplify notices would reduce these expenses and this savings could be passed on to the consumer.

Conclusion

We applaud the agencies' effort to improve privacy notices. We support the agencies in their desire to provide consumers with clear, concise information about their rights, and we appreciate the opportunity to provide our comments on this issue.

Very truly yours,



A. Lee Hardegree, III
Assistant General Counsel